

BUSINESS PLAN FOR PROF-HO.COM LIMITED

by

LAI YIN MEI, MAY

黎燕媚

LEE MAN WAI, JEFFREY

李文偉

MBA PROJECT REPORT

Presented to

The Graduate School

In Partial Fulfilment

of the Requirements for the Degree of

MASTER OF BUSINESS ADMINISTRATION

TWO-YEAR MBA PROGRAMME

THE CHINESE UNIVERSITY OF HONG KONG

May 2002



APPROVAL

Name: Lai Yin Mei May

Lee Man Wai Jeffrey

Degree: Master of Business Administration

Title of Project: BUSINESS PLAN FOR PROF-HO.COM LIMITED

Name of Supervisor:

HUGH THOMAS

Signature of Supervisor:

[Handwritten Signature]

Date Approved:

21/5/2002

ACKNOWLEDGEMENTS

We would like to express our gratitude to our supervisor, Professor Hugh Thomas for the advice, comments and suggestions he has offered throughout the study.

Besides, we would like to express our sincere appreciation to Professor Ho Man Koon, Associate Professor, Department of Curriculum & Instruction, The Chinese University of Hong Kong for his valuable information regarding the operations of prof-ho.com webpage and the products details of his software.

Also, we would like to thank to our interviewees who spent time to do the interview for us.

At last, many thanks to our dearest classmates who encouraged us and gave endless support in different ways.

Jeff and May

May 2002

EXECUTIVE SUMMARY

Prof-ho.com is an online learning website for users to improve their Chinese proficiency. For HK\$50 per student per month, we will deliver our service to students from secondary one to secondary five in cooperation with their schools. The secondary schools will be our direct customers while students will be the ultimate users. We suggest to schools two different paying methods: either the Language Fund¹ from EMB (Education and Manpower Bureau) or parents can pay schools for their own children. In either case, Prof-ho.com will collect fees from the schools.

According to our interviews with schools' principals or teachers, they all said that Chinese languages trainings for students is not enough but it is the most they can provide with the limited resources. Prof-ho.com is made to provide a cheap and a quality resource to solve this problem.

It will be a profitable business and we are now inviting The Chinese University of Hong Kong (CUHK) to invest. We need the investment capital of \$444,200 as the funding to purchase hardware, software and cash requirement for the first year

¹ <http://www.info.gov.hk/emb/eng/welcome/index.html>

operation. CUHK will collect back 30% of shareholding of Prof-ho.com Ltd. The rate of return is expected more than 328.7% per annum for the first three years.

We expect the first year sales turnover will be \$4,550,000 and breakeven at the seventh month after start-up. It will result in \$2,234,423 net profit in the first year.

For further inquiries, please contact Professor Ho Man Koon at (852) 2609-6951 or email to mankoonho@cuhk.edu.hk.

TABLE OF CONTENTS

ACKNOWLEDGEMENTS.....	i
EXECUTIVE SUMMARY.....	ii
TABLE OF CONTENTS.....	iv
Chapter ~	
I. COMPANY DESCRIPTION.....	1
Founder and Shareholders.....	1
Mission and Objectives.....	1
II. THE OPPORTUNITY.....	3
Problem Identification.....	3
Products and Services.....	5
III. DIFFERENTIATIONS.....	12
Delivering Mode.....	12
Management Team.....	13
Limited Negative Impacts On Teachers.....	13
Competitive Price.....	14
Communication between students' parents.....	14
IV. INDUSTRY ANALYSIS.....	15
Stage of Industry Life Cycle.....	15
Social and Cultural Issue.....	15
Vulnerability to Political Environment.....	16
V. TARGET MARKET & COMPETITIVE ENVIRONMENT.....	17
Demographic Segmentation.....	17
Geographic Segmentation.....	18
Positioning.....	18
Competitors' Position.....	19
Substitutes.....	22
Market Size.....	22

VI.	MARKETING MIX.....	24
	Promotional Strategy	25
	Distribution.....	28
	Price.....	28
VII.	MILESTORNES AND IMPLEMENTATION PLANS.....	30
	Milestone 1: Completion of Product and Prototype Tests.....	30
	Milestone 2: Initial Operational Tests of HK Star & Compomix ...	30
	Milestone 3: Market Tests of Full Services	31
	Milestone 4: Production Start-up.....	32
	Milestone 5: Sales Targets	32
VIII.	MANGEMENT TEAMS.....	34
	Chairman and Chief Technical Officer, Professor Ho Man Koon.....,	34
	Chief Marketing officer, Ms. May Lai	34
	Business Developing Officer, Mr. Jeffrey Lee	35
	Quality Analyst, Mr. Ng Ho Kei.....	35
IX.	EXIT PLANS.....	37
	Initial Public Offer.....	37
	Merger and Acquisition.....	37
X.	FINANCIAL SUMMARY.....	39
	Market Size.....	39
	Start-up capital	40
	Income Statement.....	40
	Breakeven Analysis.....	40
	Return of Investment.....	41
	APPENDIX.....	42
	BIBIOGRAPHY.....	76

I

COMPANY DESCRIPTION

Founders and Shareholders

Prof-ho.com Ltd. is to be formed as a limited liability company by The Chinese University of Hong Kong and Professor Ho Man Koon, Department of Curriculum & Instruction of Faculty of Education. Its primary objective will be to improve the Chinese proficiency in Hong Kong by providing quality and practical trainings. Professor Ho will be the founder of the company. He has developed his venture based on the facilities in The Chinese University of Hong Kong. The shareholding of the company is proposed to be divided into three portions, 30% held by The Chinese University of Hong Kong, 50% by Professor Ho and remaining 20% will be paid to two management team members, Mr. Jeffrey Lee and Ms. May Lai, as wages evenly.

Mission and Objectives

Prof-ho.com Ltd. will 1.) promote the use of Chinese in the educational

environment in Hong Kong and 2.) improve the Chinese proficiency of expected users namely secondary school students.

It will provide a quality training media and programs to cope with the increasing needs of institutions and businesses within Greater China. Our products and services will be tailor-made for secondary students. We will provide practice in accordance with school syllabus and we will also give practical training for future use in business environments. In view of the high demand for quality Chinese communication especially after China WTO accession, we believe that our company which will provide a unique self-learning programs will be very popular and generate reasonable profit for the shareholders in return.

II

THE OPPORTUNITY

Problem Identification

Article 9 of the Basic Law reads: *In addition to the Chinese language, the English language may also be used by the executive authorities, legislative and judicial organs of the Hong Kong Special Administrative Region*¹. Chinese has become the first official language in Hong Kong while English is the second. Although the Chinese language is of increasing importance, there has been no increase in Chinese language lessons in schools and the syllabus remains more or less the same as it was ten years ago. Formal and high quality fundamental training of Chinese language in secondary schools is still limited. Back to the Fourth Education Commission Report in November 1990², little attention was paid to the teaching and learning of Chinese in schools. It only mentioned “There was less concern over standards of Chinese although writing skills might have declined slightly.” These part assumed that the current teaching of Chinese was well

¹ People’s Republic of China Government. (1990). The Basic Law of the Hong Kong Special Administrative Region of the People’s Republic of China.

and little need to be done, notwithstanding the steady growth in the importance of, and therefore greater need for Chinese in many sectors of the community, which was duly acknowledged in the Report. Even though most secondary schools changed to use mother-tongue in teaching from the 98/99 school year, there was no increase in Chinese language lessons. Mother tongue teaching aims at making students to learn more effectively but not to improve their Chinese proficiency. Students do not speak good English even though English was the medium of teaching for most subjects. Schools currently spend more than half the Chinese lessons on the preset syllabus texts and there is even no formal textbook for Chinese writing. Most of the writing training provided is non-formal as an extra-curricular activity.

Companies continue to complaint about the worsening language abilities of employees. The government has just released a proposal to include language tests in the selection process for all the different levels of employees. However, with the increasing business opportunities in Greater China within the Asian Pacific region following China WTO accession, increasing demand for using professional Chinese language in both the educational and business environments is expected. Without enough practice on writing skills and techniques, the gap between the Chinese language level of secondary-school students and the requirement of the real business world is becoming

² http://www.ed.gov.hk/ednewhp/resource/edu_doc/English/download/ecr4_e.PDF

bigger and bigger.

At the same time, the popularity of Internet and computer creates new reading habits and a channel for public (Appendix 1). This channel provides an opportunity for, e-learning or online learning in which people can choose to learn what they want from the Internet, anytime, anywhere. Internet is becoming the perfect educational channel to fill the gap between inadequate classroom training and the desire for better Chinese language proficiency among students.

Products and Services

Prof-ho.com is tailor-made for secondary students to improve their Chinese language proficiency by providing them with ample practice in writing and reading with appropriate assistance and guidance. The website is designed and developed by Professor Ho under the management and information technology support from The Chinese University of Hong Kong (CUHK). The website is built with CUHK's technical support and facilities but the ownership of Prof-ho.com belongs to Professor Ho for his extensive investment and efforts.

Prof-ho.com provides the following products and services:

- Chinese composition correction and evaluation by HK Star (Appendix 2) and Compomix (Appendix 3)

- Subscription of online magazine: Young-Lit
- Other Interactive Services
- Quick Chinese Input Method

Chinese Composition Correction and Evaluation

by HK Star and Compomix

We will assign a composition topic each week and each student will be required to submit his/her writing online. We will have different topics for student to practice news reporting, narrative writing and debating. Each composition will be graded and evaluated in two ways. First, our sophisticated Chinese proofreading and grammar checking software, HK Star and Compomix will electronic-check the compositions. Second, our team of checkers will assess the composition for content and style. Like the Spelling and Grammar Check you can find in most English writing software in Word or Linux, HK Star is the first software to perform the Grammar and Usage Check for Chinese writing. Also, it provides a wide coverage of Chinese idiom and jargon, vocabulary and usage checking. For example, it will warn the users when they use a wrong verb for the object of the sentence even it is grammatically correct. Or it will change an oral Cantonese sentence into a formal written Chinese one. Therefore, not only does HK Star perform a grammar check; it helps to make students' writings

correct, fluent and compliant with the present standards. After finished checking, HK Star will give a quantitative report on the number of mistakes and a grade for the composition.

In addition, Compomix supplies to students pre-set evaluation text so that students can learn the techniques of different types of writing. Our checkers will choose the appropriate evaluation phrases from the programme. We will invite university students majoring in Chinese to be our checkers to ensure quality while Professor Ho will check on randomly selected pieces to ensure the quality of our checkers. The evaluations are in response to 3 major areas of the compositions namely content, creativity and structure. Together with the quantitative report from HK Star and the clear evaluation from Compomix, students can learn from their own mistakes to improve their writing with each composition.

We believe that elementary language training starts with repeated practice. We do not intend to standardize students' writing by giving them automatic instruction. However, all the technical training, students have to learn the basics before they can develop their creativity. Writing without grammatical mistakes is a prerequisite to good exposition.

We can promise that each composition will be graded and returned online within 3 days of submission from the students. Each student can send a maximum of 8 pieces of

composition to us per month. We will return the corrected composition online by posting it back into the folder of each student in the website. We will set different days of submission with each school to avoid over-congestion on our servers.

Subscription of our Online Magazine: Young-Lit

Prof-ho.com subscribers will automatically gain access to our online magazine Young Lit. Young-Lit will consist of approximately 10 pages of text, updated daily, in two parts: 1.) professionally written short fiction and non-fiction passages and 2.) selected compositions submitted by students. A detail analysis of the text and some specific topics such as Chinese usage and common mistakes of Chinese will be included. We strongly recommend teachers utilize this section by discussing with students on the posted readings. The readings in this section are curriculum specific. We believe that students can learn Chinese more efficiently and effectively if their formal school classes integrate these supplementary materials to stimulate extracurricular reading

To improve Chinese, students should read more different types of reading by different people apart from the texts in curriculum. After reading these works, student can incorporate the new technique in their own writing.

By selecting student compositions for posting, we strongly encourage students to

send their own compositions to our Young-Lit magazine. Students are free to send us any composition, including poetry, prose or fiction. Professor Ho will give a detail analysis on the selected compositions for learning and sharing purpose.

Other Interactive Services

Once a school joins our service, a specific page in the website of Prof-ho.com will be created for it. This school's web-page will include the list of folders for each students and a notice board and chat room for class student and teachers use. Each student's folder will contain the student's submitted compositions and the returned of graded compositions will be done through this page. Each of their submitted compositions can be seen from the student's own folders. Each class teacher will have access to the folders of all students within the class but students will be denied access to all folders of the others. Not only can the students and the teachers review easily the progress of each student. Parents can check the performance of their children by referring to their children's folders.

Besides the school specific page, there will be a common area for the teachers and students to communicate. The channels will include e-mails, group discussion, chat rooms or notice board. Students can send emails to us to ask questions or use these different channels to exchange experiences. Also, students can receive lectures through

our “lecture hall” which is a download area for registered users only. Our servers consist of a rich base of lecture notes for grammar in a easily downloadable formats such as Word or Powerpoint.

We aim at creating a friendly and casual platform for students to learn Chinese outside of the traditional classroom training. Our services are easily accessible and user friendly. They can encourage and motivate students to write and read more.

Quick Chinese Input Method

As students need to submit composition to us online, they have to learn how to input Chinese characters.

Currently, there are more than ten types of Chinese Characters input software. Prof-ho.com will support any and all of these methods. However, all these methods require users to input at least three entries for typing a Chinese character. Our Quick Chinese Input Method allows users to input only two to three entries to locate a Chinese word. At the same time, the program can provide the possible liaisons with other words and phrases so users can enter a phrase after locating the inputted Chinese character. It eliminates the time to type Chinese characters one by one. By learning to use this input method, users can type Chinese more efficiently.

It is not compulsory to use our Quick Chinese Input Method in using our services.

However, we encourage students who do not know any Chinese input method yet to learn this convenient method and we will give 50% discount for our users to buy this software. The original price is HK\$200 so students can buy it for HK\$100 only.

III

DIFFERENTIATION

Prof-ho.com has certain competitive advantages both externally and internally which make our website attractive to customers. These competitive advantages include mode of delivering online Chinese education, management and supporting teams, limited negative impacts on teachers such as workload towards improving the Chinese proficiency of their students, reasonable price and improved communications between students' parents and teachers.

Delivering Mode

Prof-ho.com delivers Chinese education through Internet in which students can access to it anytime, anywhere. It is flexible to fit into the busy schedule of students. They can stay at home to learn rather than going out to attend private tutoring lessons which waste time on transportation. Parents will be more willing to let their children to learn online because they can check their progress easily.

Management Team

The management team (details in part VIII) of Prof-ho.com includes both Chinese teaching expertise and information technology professionals. Most of the teaching staff have Master degrees in Chinese, Education or Business. Their respective strengths can contribute to the healthy development of the websites. Also, we have an advanced information technology supported by CUHK so that we can operate our website smoothly eliminating technical internet problems.

Limited negative impacts on teachers

Our services help to give more practice for students to improve their Chinese proficiency without altering the workload of teachers. According to our research on the workload of secondary school Chinese teachers (*Appendix 4&5*), Chinese teachers are too busy to offer more Chinese writing and reading practice for their students. They spend on average 15 minutes to correct one composition. If a teacher assigns one passage to a class of 40 students, the teacher must correct 40 compositions, spending 10 hours of work outside school hours. Because they must also plan lessons and perform administrative work, teachers typically can allow no more than 10 compositions for each student in each academic year. Our services allow students to have more practice in writing Chinese without increasing the workload of teachers. Most other

extra-curricular activities aim to promote Chinese require teachers to guide and participate their students, understandably increasing teachers' workload. However, Prof-ho.com can minimize the negative impact by transferring this workload to our experts so teachers can concentrate their daily teaching. Also, Prof-ho.com gives teachers more resources to improve the in-class teaching of Chinese.

Competitive price

Our proposed price per student is HK\$50 per month. Students can then enjoy all the comprehensive services listed previously including a maximum of 8 composition per month for checking and analyzing, an online magazine with daily reading materials as well as other learning resources. Compared to the private tuitions fee of normally around HK\$100 per hour, our price is highly competitive for our quality services.

Communication between students' parents

Prof-ho.com provides a 'real' communication channels for students, parents and teachers to access the students' performance. In reality, most parents cannot easily and regularly check and monitor the progress and performance of their children in schools. Under Prof-ho.com, parents can easily see their children's works even they are working in the offices.

IV

INDUSTRY ANALYSIS

Stage of Industry Life Cycle

Online learning in Hong Kong is still in the Introductory Stage of the Industry Life Cycle. The products and services provided by the limited suppliers in the market are not popular. Prof-ho.com with its comprehensive services will be able to capture initial market share by its differentiated products and services before the industry enter its rapid Growth Stage.

Social and Cultural Issues

In order to improve the academic performance, more and more schools now are willing to spend more money on purchasing computer hardware and software. According to the “IT for Learning in a New Era: Five Year Strategy³”, the government will provide higher funding for information technology equipment in secondary

³ www.info.gov.hk/emb/eng/welcome/index.html

schools in which there will be on average 82 computers in each secondary schools compared to only 40 in primary schools. Schools buy computers for their students for various purposes, such as teaching, browsing for information, and preparing and submitting assignments. At the same time, young people in Hong Kong tend to spend their leisure time on computers, like online chatting with friends, ICQ, emails or online games. Online learning will be attractive to both schools and students.

Vulnerability of Political Environment

In Hong Kong, regulations on e-learning are limited. Related regulations, such as requirements of educational institution's registration, protection of copyrights and patent protections, provide relatively little protection for incumbent companies, but it will not interrupt the development of the industry.

V

TARGET MARKET & COMPETITIVE ENVIRONMENT

We will focus on a niche market segment, i.e. to focus on a single segment.

Demographic Segments

We have chosen secondary students to be our initial demographic target segments because our services are more suitable for users who have a certain level of Chinese and because secondary students have higher internet proficiency than primary school students. Our target students from secondary One to secondary Five includes students between the age of eleven and eighteen. This segment of people has a strong desire to learn Chinese for daily use, further studies and future career attainment. Because our services are provided via the computers, students who like to spend time in computers such as online chat, computer games etc will become more interested in learning than if they are forced to study using books, pens and papers. .

Geographical Segments

Prof-ho.com will focus on the Hong Kong market during the start-up period. More than ninety percent population in Hong Kong is Chinese. Parents want their children to learn good Chinese even though English has become the second major language in Hong Kong. After a three-year roll-on in Hong Kong, we will adopt strategies to penetrate into other Chinese-speaking countries like China and Taiwan.

Positioning

The positioning of Prof-ho.com in the market will focus on the brand image, competitors' position, products and services.

Brand image

Prof ho.com aims to project a professional high technology image. This image is supported by the research and teaching record of Professor Ho and The Chinese University of Hong Kong. At the same time, our company name reflects strong online learning image, which is different from traditional in-class training. The strong professional brand image can assist us to capture the market share of buyers who want first class training.

Competitors' Position

Direct Competition

Currently, there are no direct competitors providing online Chinese learning for secondary schools in the Hong Kong market. But there are some Internet Service providers and Content Providers are planning to penetrate into other online learning services segments. According to the interview with Principal Lai Wing Chuen (Appendix 5.3) a private corporation called Board Learning Technology, an Internet Services Providers, is now actively transforming into a conglomerate as both Internet Services Providers and Content Services Providers for secondary schools segment.

Indirect competitors include tutors (both for profit and not-for-profit) and on-line adult education. Many private tutorial companies claim to have experienced experts in examination professionals who can teach students to prepare for the public examinations, such as the Hong Kong Certificate of Education Examination (HKCEE) and Hong Kong Advanced Level Examination (HKALE). King's Glory (<http://www.kingsglory.edu.hk>) and HKISE are two major players in this segment in which they target Secondary Five and Seven students. Their objective is to help their customers to pass or to obtain good grades in public examinations.

Indirect Competition

There are many voluntary organizations and Social District Centres which provide Chinese, English and computer training for secondary school students. These services are providing from some non-profit making organization, using volunteer tutors that may not be qualified enough. The courses materials and structures are not well defined. In addition, the participants are less serious in these kind of tutorials. Often students and volunteer tutors view these sessions as social gathering or recreational activities. As a result, the quality of courses offered by voluntary organizations is relatively unstable and poor. We estimate that less than 10% secondary students attend these voluntary tuition regularly.

Another type of indirect competitor positions itself as online learning services providers. They provide platforms for the working population to obtain some professional training. Many tertiary educational institutions have these kinds of services. The joint venture between PCCW and City University of Hong Kong provides an iMBA program and other online postgraduate courses. Similarly, Open University of Hong Kong provides “WebCT” to assist their students to participate in their distance-learning mode. These competitors are mainly targeting adults of above 25 who have practical needs for specific knowledge or training.

Table 4: Comparison on Prof-ho.com with competitors.

	Price	Quality	Trainings Provide	Effectiveness
Prof-ho.com	\$50 per month	High with qualified checkers and resources	Writing practices, reading comprehension communicative channels	Improvement from continuous practice
Voluntary Organization	Negligible	No guarantee	Students ask questions on study or homework	Not specific training, only tackle questions on study
Private Tuition	\$100 per hour or more	No guarantee	Students ask questions on study or homework	Not specific training, only tackle questions on Study
Adult / Professional e-learning	Depends from courses type, up to several thousand per courses	Relative High	Post secondary, practical business training.	Depends highly on self-motivation.

Substitutes

Prof-ho.com is a unique service in which our Chinese grammar correction software namely HK Star and Compomix are unique. Professor Ho, who is famous among the Chinese education society, is also unique. We have the ability to provide the services for Chinese language writing and reading practices with a reasonable price. Other people may copy us by providing similar services but they will not have the same sophisticated and professional software to do so. As the software increases quality and efficiency, it reduces the per-unit cost of the service. Others may do the correction by hand but the cost will be high so they have to charge more. Substitute software would be costly and time-consuming to do providing us with a first mover advantage.

Market Size

Our potential users are these 456,693 students in 486 secondary schools in Hong Kong.

Table 2: Students/Teachers Ratio of Secondary School for the Academic Year 2000/01

No. of FT schools	No. of students	No. of teachers	Students/ teachers ratio	Average class size
486	456,693	25,093	18.6	38.3

Source: Research statistics, Education and Manpower Bureau

Hong Kong has a relatively high Internet penetration rate compared to other Chinese speaking regions. Learning from the computer is becoming more popular especially among secondary students in which it is estimated over 80% young people in HK like to spend time on computers, even just for computer games⁴. Because the Internet is widely accepted as communication channel among our potential users, we believe that Web-based learning will provide supplement to traditional learning.

Table 3: Percentage of population using the Internet

Country	1999	2005 (estimated)
Hong Kong	21.0	57.6
Taiwan	21.1	50.8
China	0.4	3.9

Source: A Region In Flux, Newsweek Special Issue (2000)

⁴ <http://www.info.gov.hk/coy/eng/report/statistics.htm>

VI

MARKETING MIX

Secondary school principals control the budgets of schools in our target market. We know that schools may not have enough funding to apply for our services even though they are satisfy with it. We suggest two ways of funding for them: 1.) from parent, 2.) from the government. We intend to convince secondary schools' principals of the effectiveness of our services by offering their schools free use for one month. Once teachers, parents and children appreciate the benefits of Prof-ho.com, they will lobby schools to join us with membership fees funded either by each parent paying for his/her own children or by schools approaching the government for funding. Parents are willing to pay for services that can improve their children results as they pay for the private tuition fee.

Once classes start using Prof-ho.com, we believe word of months will be the most powerful promotional tool. We intend to let as many students to try as possible, so they

can become our promotional tools automatically once they have experienced our professional services. Prof-ho.com already has built alliance with several schools (Appendix 6). We expect our services can gain widely recognition and acceptance starting from these alliance of schools.

Promotional Strategy

Our promotion campaign against Principal, teachers, parents and students includes:

- Press Conference
- Seminars
- Triad Tests
- Sales promotion
- Personal Selling

Press Conference

We will arrange a press conference in July to announce to the public the launching of our professional services. It is the cheapest publication tools to reach large numbers of people without expensive advertising. We received extensive newspapers reporting on April 16,2002 (Appendix 7.1 & 7.2) when Professor Ho held a press conference to

announce the newly invented Chinese grammar checking software and the Quick Input Method. Press conferences are more effective for educational products and services than advertising because people place more confidence in the objectivity of news reporting than in paid advertisements.

Together with press conferences, interviews by public media are also effective. They provide free publicity for us. Professor Ho received several interviews from the mass media⁵ after the first press conference last week which give further publication effect. We believe press conference is the best promotional tool for us.

Seminars

Seminars are another powerful promotional tool. We will conduct seminars in secondary schools and universities for secondary schools principals, teachers, parents and students. Professor Ho will introduce Prof-ho.com in the seminars, demonstrate how it works and will listen to feedback from the audiences. Teachers or students are free to ask questions and try the services. We can obtain first hand opinion from potential users for our services and obtain promotional effect through these seminars as well. We will arrange at least 10 seminars and from which we expect extensive publicity.

⁵ www.prof-ho.com/radio/edited.wma

Trial Tests

We will conduct trial tests in schools that show interest and positive feedback on our services after the press conference or seminars. We have received some very good responses from these tests (Appendix 8.1 & 8.2). The tests were usually online composition practice which will be corrected by HK Star immediately so users can experience the efficiency and quality of the unique software. Afterwards, our checkers would evaluate these compositions by Compomix. Over 90% schools who tried the software said they are very interested in our services. We will send sales representative to follow after the tests. Together with our discount offer, most schools will join our services afterwards.

Sales Promotion

Sales promotion includes discounted price and free usage will be provided for customers. There is an immediate 5% discount for the first three months for any school who first joins our services. Also, we will offer one month free trial usage for one class of students (max. 40 students) to any new schools.

Personal Selling

Our sales team will be headed by Ms. May Lai, our CMO who will go to visit our potential customers namely secondary schools to promote sales. We will employ part time sales representatives who will receive extensive training including products and services functions, features, demonstration of website's function. Before sending them out to meet customers, we will test them to make sure that they can perform quality promotional presentations for Prof-ho.com. Our sales team can act as a supplementary promotion tool besides the press conferences and seminar from Professor Ho.

Distribution

Anyone, who can get online, can get access to our services once they have successfully applied for it. We will not restrict access to secondary school students, although our sales efforts will be concentrated there. Internet is the most efficient and extensive media for information exchange. We will assign a login ID and password for identification for every registered user. Every user can login to our website and to get access to our services anytime, anywhere.

Price

We will employ a penetration pricing strategy in which we will set a relatively low entry price as compared with our competitive offerings in order to help secure market

acceptance. In view of our relatively innovative services for schools which include strict regulations in expense and funding, our cheap but professional services need to secure initial market acceptance. As we will relatively cheap labour force namely students and part time sales representatives and our management staff will not obtain regular salary, we will be able to keep labor cost low. We are able to set a reasonable price.

Our price will be calculated on the number of user base which is estimated to be HK\$ 50 per user and it is expected to decrease when number of users increase. Depending on how many students are registered to be uses, the overall price with a special discount will be the price for each school.

VII

MILESTONES AND IMPLEMENTATION PLANS

We will set several Milestones to monitor and manage the growth and development of Prof-ho.com. Careful monitoring and, quick and appropriate responses to environmental changes are crucial for the success of Prof-ho.com. The following milestones provide a monitoring mechanism to deal with the possible environmental changes.

Milestone 1: Completion of Product and Prototype Tests

September 2001: Professor Ho invented HK Star and Compomix that lie the foundation for our services.

Milestone 2: Initial Operational Tests of HK Star & Compomix

June 2002: We need large scale test because the tests on our website's operation we have been doing so far were relatively small in scale compared to our large potential

client base. We need to check our current capacity level before we can offer the one month free trial offering. Further large scale Product Tests will be held in mid-June to ensure proper functioning of Prof-ho.com. Tests will be held on three different test dates. Each test will invite six schools, totally around 300 students, to access prof-ho.com for testing its availability and feasibility in handling such volume lot of customers to login at the same time. These tests aim at testing the feasibility of the overall operation, our capacity limit at the same moment and the required human resources in the operations. Not only HK Star, our checkers will use Compomix to evaluate the compositions in the tests. The results will be carefully reviewed and more operational tests will be held until we can make sure the proper functioning of Prof-ho.com.

Milestone 3: Market Tests of Full Service

September 2002: These parts will be held in the famous schools of Shatin, Kowloon Tong and Kwun Tong. Small-scale market tests of the full service will be held at the beginning of July. The objectives of the market tests are to identify the market potential and to adjust the forecast of the sales. Positive feedback and results are required to support the launching process. If not, the feedback is not positive, the process will be stopped. We will conduct the tests in 5 schools, 1 class of 40 students

each, last for two months.

Milestone 4: Production Start-up

December 2002: After running a number of operational tests, we can suppose that Prof-ho.com can be run smoothly for actual operation. We have also make certain contingency plans to deal with any uncertainties or possible problems that may happened during operational tests, for example, overloading of servers, disturbances during peak hours and potential hazard from viruses or hackers.

Milestone 5: Sales Targets

January 2003: Once after the official functioning of our website, our sales team headed by Ms. May Lai, our CMO will continuously performing sales activities to keep students. If the above targets cannot be met, certain areas should be reviewed, such as feasibility and quality of the website, selling methods and sufficiency of promotional activities.

Since we will provide extensive discounts' offers to our customers during the initial launching period, the impacts on the discounted price should be considered and measured. However, in order to achieve promotional purpose, other discounts, such as for frequent purchase, or services should be continued for the existing customers as an encouragement. Once prof-ho.com get into the growing stage, we will gradually reduce

the special offers. Other pricing models and methods will also be considered at a latter stage to minimize the negative impacts from cutting the discounts.

It is obvious that a profitable business will attract new entrants, Prof-ho.com should prepare certain plans to deal with potential competitions. Such countermeasures include product differentiation, low price from a lower cost of operation. Continuous R&D to excel our products and services will be the long term solution to deal with this problem. Slow and inappropriate response will result in the loss of market shares thus decrease in profit.

VIII

MANAGEMENT AND ORGANIZATION

Chairman and Chief Technical Officer, Professor Ho Man Koon⁶

Professor Ho Man Koon (Appendix 9.1 & 9.2) is the Chairman and founder of Prof-ho.com. Professor Ho has a Master of Education, Master of Philosophy and Doctor of Philosophy in Chinese Language. He was awarded his PhD in education in 1979 and has spent more than 20 years in the education sector in Hong Kong. He started his career in Chinese education in 1982. He has worked in the Education Department as a Chinese instructor. He joined the Faculty of Education of The Chinese University of Hong Kong from 1992 as an Associate Professor. And he has sound knowledge in developing programs and codes for Chinese characters.

Chief Marketing Officer, Ms. May Lai

Ms. May Lai (Appendix 10) joins Prof-ho.com with a primary responsibility for marketing and market research. Ms. May Lai has been a marketing and sale officer in

⁶ <http://www.fed.cuhk.edu.hk/faculty/staff/cr/mkho.html#English>

WKK Technology Limited and Canon Marketing HK Co., Limited. She is experienced in the marketing and promotion in which she will keep close contact with clients and satisfy their needs and requests.

Business Developing Officer, Mr. Jeffrey Lee

Mr. Lee Man Wai (Appendix 11) joins Prof-ho.com with a primary responsibility for business opportunities locating and identifying. Mr. J. Lee had been a senior staff in Cathay Pacific Airways for more than six years. He was a member of 'Joint Advisory Committee', a multi-departmental quality circle to improve the quality of products and services.

Quality Analyst, Mr. Ng Ho Kei

Mr. Ng Ho Kei joins Prof-ho.com with a primary responsibility for quality monitoring and managing. Mr. Ng assists Professor Ho to monitor the overall operation and quality of Chinese delivered to our clients. Mr. Ng has been teaching Chinese teacher in St. Marry Church School for more than six years. He has a Bachelor Degree in Chinese Languages and Master of Education.

All of the four management team members will not receive any salary and only

receive money if there is profit. We will hire hourly paid checkers who are universities students majoring in Chinese. The number to be hired depends on the number of users. And we will hire commission based sales representative to conduct personal sales to school direct for us. They will be paid on commission based of no more than 10% of the first monthly fee of the schools.

IX

EXIT PLANS AND STRATEGIES

Initial Public Offer

When the earning forecast has been achieved for a certain period (at least 3 months), we will suggest Prof-ho.com to apply for an initial public offering through GEM Board of Hong Kong in order to maximize investors' benefit. The offering can provide sufficient fund for further developments of the products and services. Also, the offering can provide a chance for Professor Ho, CUHK and other investors to liquidate or 'cash' back their investments.

Merger and Acquisition

Prof-ho.com could be acquired by other large educational institutions or other business players. These new shareholders would inject new capital, technological resources and management. Navigator, which provides E-learning and technical support for City University of Hong Kong, is one of potential candidates for merger and

acquisition. .

FINANCIAL SUMMARY

Market Size

Targeting with secondary 50% of students in the school district of 100,000 students, attracting 450,000 students in 450 secondary schools in the district. Our target is capturing 6.7% market share, which is 30,000 students in the end of the third year after start-up.

Table 2: Market Size and Potential

	Market Share	No. of ST	No. of students	Market Potential (%)
Overall Market	100%	450	450,000	100%
Our Target	6.7%	30	30,000	6.7%

X

FINANCIAL SUMMARY

Market Size

Targeting with secondary school students, Prof-ho.com Ltd. concentrates on attracting 456,693 students in 486 secondary schools in Hong Kong. Our target is capturing 6.2% market share, which is 30 schools and 30,000 users, at the end of the third year after start-up.

Table 2: Market Size and Potential

	Market Shares	No. of FT schools	No. of students	Market Potential (\$50 per students)
Overall Market	100%	486	456,693	22,834,650
Our Target	6.2%	30	30,000	1,500,000

Start-up Capital

For the first capital investment, we need to invest \$444,200 on hardware, software, furniture and cash requirement for the first year operation.

Both hardware and software, worth \$380,000, are expected to be provided by CUHK in exchange for the shares of Prof-ho.com Ltd. Another \$64,200 funding either provide by CUHK or deferred the payment of Director fee of Professor Ho and wage of sales executives and examiners.

Income Statement

The Pro-Forma Income Statement for the first three years represents the estimated operating results for this period. Similar to other online operating companies, we may have around 70% profit margin for the website according to its simple labor cost structure. The estimated net profits for the first three years are \$2,234,423, \$8,904,600 and \$10,739,308 respectively.

Breakeven Analysis

Since we have almost 70% of contribution margin, the breakeven turnover is simply the sum of the fixed cost plus administrative expenses over contribution margin ratio of this period. Therefore, the breakeven turnover of the first year after start-up is

\$1,303,273. We also expect that Prof-ho.com Ltd. will break even at the end of the seventh month after start-up.

Return of Investment

CUHK will collect back 30% of Prof-ho.com Ltd. shareholding for their \$444,200 investment. During this three years, 70 % of Net Profit will be paid out as dividends. Therefore, CUHK will receive dividend, those are \$469,229, \$1,869,966 and \$2,255,255 respectively, for these three years. The rate of return of this investment is expected more than 328.70% per annum. The future value of the investment will be worth \$16,108,962 at the end of the third year. (Appendix 12-18)

APPENDIX 1

NEWS REPORT ON NEW READING HABIT IN SCHOOLS



十校棄課本取中文光碟

新中文科課程將於今年九月在全港中一進行，換言之，各中學均須購買全新的中文教科書。面對這個龐大市場，教科書商均各出奇謀以圖獲得學校的「垂青」。有出版社為學校「度身定造」製作單元式教學光碟，好處是每位學生只需付出一百元購買，比教科書的價錢便宜一半；亦有出版社首創教科書「售後服務」，由北京師範大學教授親自指導教師如何使用教材。

「老師要自備一個單元當然容易，但單憑我們的教學經驗，要編寫完整而又能涵蓋初中三年的課程，難度很高呀！」中學中文科主任老師說。由於新學年中文科將推行單元教學，鼓勵教師按學生的程度自編教材，不少教師均感到無從入手。

學生光碟費用一百

星河校園數碼科技推廣這個市場，以試辦性質推出中文教學光碟。該公司副總裁水保表示，

學生光碟包括六個單元，每單元約有六篇課文，還有遊戲及工作紙等，而每隻光碟的費用約為一百元。有教科書商指出，新中文教科書因要解決大量範文的篇幅問題而導致成本大增，故每冊課本至少定價二百元。換言之，學生購買光碟將較教科書便宜一半，此外，學生亦不用帶着沉重的教科書上學。

廖永輝指出，現時已有十所中學向該公司訂貨，亦有數十所中學表示對光碟有興趣。

售後服務名師教授

廖永輝又表示，教師光碟會加入教學短片及超連結(Hyperlink)，而教師亦可自行修改部分內容，如增刪圖文及圖片等，以減輕教師設計教案的負擔。

新亞洲出版有限公司已製作一套共二十七冊的中文書這套，出版社為協助教師使用這套課本，破天荒推出「售後服務」，邀請六位來自北京師範大學中文系的專家，包括張明道、郭英德、朱小龍等，以面授或透過互聯網形式，教授教師們如何使用該套課本。

記者 何曉琳

STAR SCHOOL SOLUTIONS

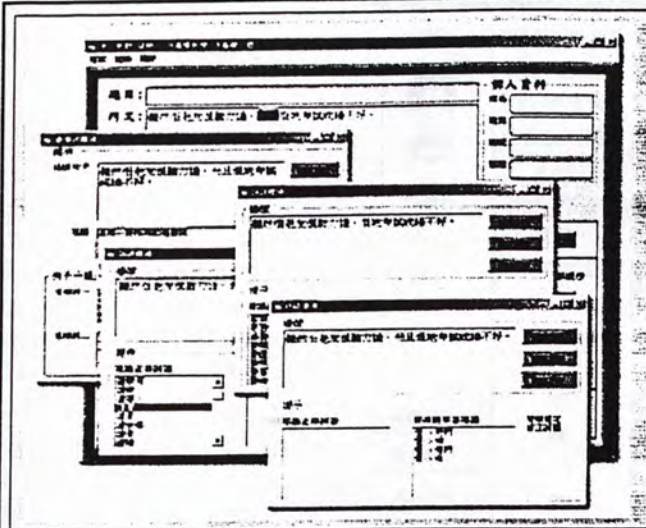
星河校園數碼科技副總裁水保(小圖)表示，中文教學光碟的最大特色是教師可自行增刪內容。

二〇〇二年二月二十一日 星期四

Source: Singtao Daily, February 21, 2002

APPENDIX 2

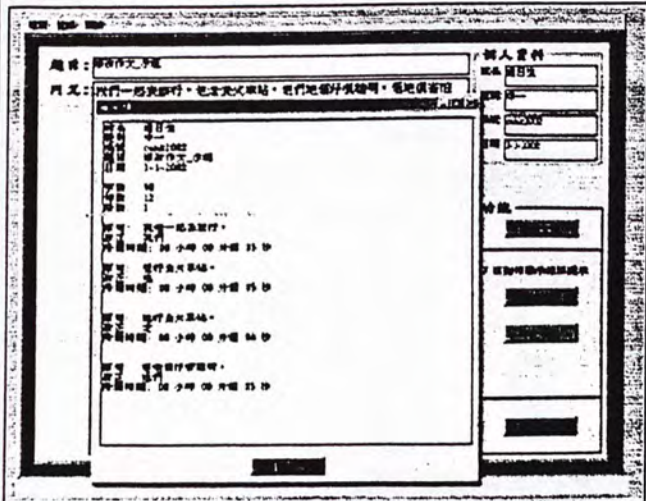
DEMONSTRATION OF HK STAR



三大基本功能均以獨立對話盒形式顯示及處理，
並以不同顏色顯示：

1. 正確詞語建議功能；
2. 廣東話修正功能；
3. 連接詞建議功能。

圖一：所有功能



四項使用者自訂選項：


1. 選擇不顯示建議盒形式而只以顏色顯示修改建議處；
2. 略過所有同一形式詞組修改建議；
3. 詞組修改耗時記錄；
4. 修改記錄以文字檔保存。

圖二：展示修改記錄

APPENDIX 3

DEMONSTRATION OF COMPOMIX

一般資料



蔣經國

[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	CUK0010142	
[REDACTED]	[REDACTED]	
[REDACTED]	[REDACTED]	

<p>思維能力 <input type="text" value="5"/></p> <p>記憶能力 <input type="text" value="5"/></p> <p>判斷能力 <input type="text" value="5"/></p> <p>觀察力/閱讀 <input type="text" value="5"/></p>	<p>運動能力 <input type="text" value="55"/></p> <p>體力/耐力 <input type="text" value="50"/></p> <p>精神/意志 <input type="text" value="55"/></p> <p>體質/血型 <input type="text" value="P"/></p> <p>嗜好 <input type="text" value="77"/></p>
---	---

項目	內容
籍貫	<input type="text" value="54"/>
別字	<input type="text" value="莊振(弟) 曾(曾)弟"/>
籍貫	<input type="text" value="福建... 莊(莊)弟"/>
籍貫	<input type="text" value="廣東省(莊)弟(弟)"/>
方言	<input type="text" value="腔(弟)"/>

[illegible]

APPENDIX 4

INTERVIEW GUIDE

a. Aims and Objectives

Objectives

The study will target two major categories, Teachers and Students' Parents, who are the gatekeepers and end-users of our products. Also, valuable market information will be expected to collect through interviews. The information includes the opinion of the Chinese level of Hong Kong secondary school students, the demand of online learning and willingness to subscribe this service.

Teachers/Principal:

- to understand their expectations;
- to understand their perceptions, values and values towards online learning, specifically Chinese learning;
- to identify the factors affect their purchasing decisions.

Students/Students' Parent:

- to understand their expectations and demands;
- to understand the general trend of learning through online and student's habit;

b. Reminders

- The interviewee should have a short briefing to understand the objectives of the study
- The identity of interviewees should keep confidential
- The questions are guidelines for the interviews. Please let the respondents have time to elaborate their points of view
- The ideal time of each interview is 45 minutes

c. The Interview Guides

1. Identifying Customer's needs

- 1.1 How will you describe the overall Chinese Proficiency level of your students?
- 1.2 How can you improve the Chinese level of your students? (Extra reading, written assignment, tutorial or other class activities)
- 1.3 How much time did you spend on these after-class activities to improve the students' Chinese?
- 1.4 How do you like these activities?
- 1.5 Which one is the best?

2. Perception, Values and Values towards the online learning

- 2.1 Do you have computer in your home (for students' parents) or office (for teachers)?
- 2.2 Is there any computer class in your school?
- 2.3 Have you ever hear online learning or e-learning? Please specify.
- 2.4 Have your child/children ever try online learning or e-learning? (for students' parents)
- 2.5 How do you feel towards online learning?
- 2.6 Will you try online learning?

3 Value added approach (Product features)

- 3.1 What kind of features will you expect that should be included in online Chinese learning?
- 3.2 What factors will affect your subscription?

4. Decision Making Process

- 4.1 What will you consider whether to subscribe our services?
- 4.2 How much will you pay? Or how much will you pay per head?

5. Workload Estimation (Only for Teacher)

- 5.1 How many lessons do you teach per one cycle?
- 5.2 How many Chinese lessons for each junior class?
- 5.3 How many compositions will be written in each school year?
- 5.4 How much time you need to correct the composition from students?
- 5.5 Do you have enough time to finish all your work in school?
- 5.6 Do you think the Chinese language training is enough for your students now?

Thank You Very Much for your time in completing the interview.

APPENDIX 5.1

INTERVIEW SCRIPT 1

Name of organization St Mary Church Secondary School
Format Personal Interview
Name Ms. Ng Ho Kei
Time February 27th 2002, 6:00-6:30 p.m.
Venue Telephone Interview
Year of Services 8

Codes:

P : Problem Identification
 C : Perception
 K : Product knowledge
 S : Strength for us
 W : Weakness for us
 D : Factors Affecting the Decision Making
 O : Other

Q 1.1	How will you describe the overall level of Chinese Proficiency of your students?	
A	Relatively low, our HKCEE passing rate is about 45-50%, less than the average 60%	C, W
Q 1.2	How can you improve the Chinese level of your students? (Extra reading, written assignment, tutorial or other class activities)	
A	Apart from normal classroom training, our school has organized various activities for Chinese including Chinese composition competition, Chinese Debate etc. But the participation rate is low.	C, W
Q 1.3	How much time did you spend on these after-class activities to improve the students' Chinese?	
A	Depends, 1-2 hr per week on average	C
Q 1.4	How do you like these activities?	
A	Neutral	C
Q 1.5	Which one is the best?	
A	The composition competition	S
Q 2.1	Do you have computer in your office ?	
A	Yes, but only a few.	W
Q 2.2	Is there any computer class in your school?	
A	Yes, but quite limited	W
Q 2.3	Have you ever hear online learning or e-learning? Please specify.	
A	Yes, some university courses	C
Q 2.4	How do you feel towards online learning?	
A	Better than nothing	C
Q 2.5	Will you try online learning?	

A	I don't think so.	W
Q 3.1	What kind of features will you expect that should be included in online Chinese learning?	
A	Everything, writing skills, techniques.	K
Q 3.2	What factors will affect your subscription?	
A	Content, Quality, charge	C, K
Q 4.1	What will you consider whether to subscribe our services?	
A	Content, Quality, charge	C
Q 4.2	How much do you think will be the reasonable monthly fee for our services?	
A	Depends on its contents, effectiveness, quality, not more than \$50per one student.	C
Q 5.1	How many lessons do you teach per one cycle?	
A	36 lessons	P
Q 5.2	How many Chinese lessons for each class?	
A	8	P
Q 5.3	How many compositions will be written in each school year?	
A	10	P
Q 5.4	How much time you need to correct the composition from students?	
A	10min. on average	P
Q 5.5	Do you have enough time to finish all your work in school?	
A	Of course not, I have to prepare for class, teaching and also other administrative work to do.	P
Q 5.6	Do you think the Chinese language training is enough for your students now?	
A	The more the better.	P, S

APPENDIX 5.2

INTERVIEW SCRIPT 2

Name of organization King's College
Format Personal Interview
Name Ms. Susanna Chan
Time February 20th 2002, 6:00-6:30 p.m.
Venue Telephone Interview
Year of Services 4

Codes:

P : Problem Identification
 C : Perception
 K : Product knowledge
 S : Strength for us
 W : Weakness for us
 D : Factors Affecting the Decision Making
 O : Other

Q 1.1	How will you describe the overall level of Chinese Proficiency of your students?	
A	Above Average	C, W
Q 1.2	How can you improve the Chinese level of your students? (Extra reading, written assignment, tutorial or other class activities)	
A	Apart from normal classroom training, our school has organized various activities for Chinese including Chinese composition competition, Chinese Debate etc.	C, W
Q 1.3	How much time did you spend on these after-class activities to improve the students' Chinese?	
A	Depends, 1-2 hr per week on average	C
Q 1.4	How do you like these activities?	
A	Quite good, it can raise student interest in learning Chinese.	C
Q 1.5	Which one is the best?	
A	The composition competition	S
Q 2.1	Do you have computer in your office ?	
A	Yes	S
Q 2.2	Is there any computer class in your school?	
A	Yes	S
Q 2.3	Have you ever hear online learning or e-learning? Please specify.	
A	Yes, distance learning	C
Q 2.4	How do you feel towards online learning?	
A	Good as a supplementary learning tool	C, S

Q 2.5	Will you try online learning?	
A	Maybe in future if I find some interested course.	O
Q 3.1	What kind of features will you expect that should be included in online Chinese learning?	
A	All kind of practice, mainly writing skills, techniques.	K
Q 3.2	What factors will affect your subscription?	
A	Effectiveness of the services provided	C, K
Q 4.1	What will you consider whether to subscribe our services?	
A	Effectiveness and charge	C
Q 4.2	How much do you think will be the reasonable monthly fee for our services?	
A	Depends on its effectiveness, not more than \$100 per one student.	C
Q 5.1	How many lessons do you teach per one cycle?	
A	34 lessons	P
Q 5.2	How many Chinese lessons for each class?	
A	7 plus 1 putonghua	P
Q 5.3	How many compositions will be written in each school year?	
A	10	P
Q 5.4	How much time you need to correct the composition from students?	
A	15min. on average	P
Q 5.5	Do you have enough time to finish all your work in school?	
A	I need to work after school usually as there is other administrative work besides teaching.	P
Q 5.6	Do you think the Chinese language training is enough for your students now?	
A	There is never enough, more is always better.	P, S

APPENDIX 5.3

INTERVIEW SCRIPT 3

Name of organization Maryknoll Secondary School 瑪利諾中學
Format Personal Interview
Name / Title Mr. Lai Wing Chuen (Principal)
Contact No. 2758 3102
Time April 23rd 2002, 3:30-4:00 p.m.
Venue Telephone Interview
Year of Services 15

Codes:

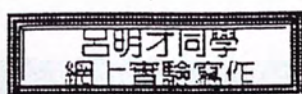
P : Problem Identification
 C : Perception
 K : Product knowledge
 S : Strength for us
 W : Weakness for us
 D : Factors Affecting the Decision Making
 O : Other

Q 1.1	How will you describe the overall level of Chinese Proficiency of your students?	
A	Average	C, W
Q 1.2	How can you improve the Chinese level of your students? (Extra reading, written assignment, tutorial or other class activities)	
A	We got a panel of Chinese teachers to evaluate and to improve the Chinese Proficiency level of our students.	C, W
Q 1.3	How much time did you spend on these after-class activities to improve the students' Chinese?	
A	N/A	C
Q 1.4	How do you like these activities?	
A	N/A	
Q 1.5	Which one is the best?	
A	N/A	
Q 2.1	Do you have computer in your office?	
A	Yes	S
Q 2.2	Is there any computer class in your school?	
A	We got some programming and web building classes. We also developed our own website.	S
Q 2.3	Have you ever hear online learning or e-learning? Please specify.	
A	Yes, learning through online or Internet.	C

Q 2.4	How do you feel towards online learning?	
A	Effective and efficient in learning base on our own time schedules.	C, S
Q 2.5	Will you try online learning?	
A	Yes	
Q 3.1	What kind of features will you expect that should be included in online Chinese learning?	
A	It may include writing skills, Chinese usage and Practical writing. Actually, our website includes courses information, notes and communication channel like chat rooms and students can submit their homework through the web.	K
Q 3.2	What factors will affect your subscription?	
A	Our need, price and content offered.	C, K
Q 4.1	What will you consider whether to subscribe our services?	
A	We will consider both the packages you offered and our budgets. Unlike other government schools, we can make the decision based on our own situations. Certainly, the related decision will discuss with the panel which was responded. In this case, Chinese and IT panels will be consulted.	C
Q 4.2	How much do you think will be the reasonable monthly fee for our services?	
A	Depends on content, which benefit our students and our budgets. We subscribe a platform from Broad Learning Technology Ltd. which charged about \$25,000 for his product.	C
Q 5.1	How many lessons do you teach per one cycle?	
A	N/A	
Q 5.2	How many Chinese lessons for each class?	
A	N/A	
Q 5.3	How many compositions will be written in each school year?	
A	N/A	
Q 5.4	How much time you need to correct the composition from students?	
A	N/A	
Q 5.5	Do you have enough time to finish all your work in school?	
A	N/A	
Q 5.6	Do you think the Chinese language training is enough for your students now?	
A	Neutral	

APPENDIX 6

ALLIANCE OF SCHOOLS



「關♥社會，坐落起行」
飛龍行動計劃

沙田官立小學上午校



天水圍天主教小學

嘉諾撒聖瑪利學校

嘉諾撒聖心學校

嘉諾撒小學上午校

倉庫輸入法

將軍澳天主教小學



博愛醫院
陳楷紀念中學

嘉諾撒小學上午校

嘉諾撒聖家學校

東華三院李西峰紀念學校

APPENDIX 7.1

NEWS REPORT ON YOUNG LIT



APPENDIX 7.2

NEWS REPORT ON PROFESSOR HO INVENTION

二〇〇二年四月十六日 星期三

中大四大發明 電腦改作文



圖(上)為負責研發「妙筆」輸入法、及將利用手上的數字鍵便能完成輸入，這小學生也曾在三分鐘大博會。

圖(下)為「多寶」作文評語系統，該系統已廣泛應用於各級學校。

老師說，在中文工作時，有自感到沒有適合的詞語可以引呢？同學們：有自感到目前所用的中文輸入法過於複雜，很難學得懂呢？香港中文大學教育學院最近開發了四個電腦系統，包括「妙筆」輸入法、作文評語系統，初中學生也曾在五分內學會的中文輸入法等。

中小學老師普遍認為這些新發明，不過有學生認為評語系統過於死板，不具老師親自批改的準確。

預設作文評語省時間

「我參觀過不少學校，發現老師批改作文時，是花不少時間與高評語，很高尚電腦化為節省部分評語，老師便可集中精神審視學生的表達能力。」中大教育學院課程與教學學系教授何萬基解釋這套「多寶」作文評語系統的由來。

這套作文評語系統最大的特色，是系統會按書面、行文布局、表達方式、邏輯造句與創意等五方面，按預設多項評語，讓老師可根據學生的表現選取適當的評語及作出填補。令評語更具針對性，老師也可輸入學生的錯別字、漏字、多字以及標點符，這

套系統的分數，可顯示全體學生在作文上的表現。

中文輸入法簡化易學

此外，有關不少中小學生在學習中文輸入法時遇到不少困難，何教授亦發明「妙筆」中文輸入法，這輸入法最大的特色是採用九個數字鍵，同學只須按數字，即可寫出華文，因為每個數字，都加入五個數字碼，便能輸入文字。連小一、小二學生也能在五至十分鐘內學會。

中學中文老師普遍認為，作文評語系統最大的用途，是輔助老師評語出整篇學生的表現及評語簡便。

不過中三學生呂啟賢卻指電腦預設的評語較死板，「同學的作文題目也不同，評語怎能一樣？況且如果評語不是老師親自寫，我也未必會仔細看。」

何教授還與會協助學生自行批改作文系統的「多寶」，以及「神筆」網上中文測試系統（見附錄）。四大發明首屆會在六月推比試效驗學校試用，十二月推出公開試用版，將有機會免費在學校使用。

記者 何曉琳

四大發明的特點

「妙筆」 中文輸入法	「神筆」 中文測試系統	「多寶」 作文評語系統	「多寶」 作文評語系統
<ul style="list-style-type: none"> 採用九個數字鍵輸入，簡單易學，初學五分鐘即可上手。 五至十分鐘即可學會。 適用於中一、中二、中三。 可輸入錯別字、漏字、多字。 	<ul style="list-style-type: none"> 根據書面、行文布局、表達方式、邏輯造句與創意等五方面，按預設多項評語。 老師可根據學生的表現選取適當的評語及作出填補。 可根據學生表現，作出評語。 	<ul style="list-style-type: none"> 自動評語，節省老師時間。 可根據學生表現，作出評語。 可根據學生表現，作出評語。 可根據學生表現，作出評語。 	<ul style="list-style-type: none"> 內置評語庫，可根據學生表現，作出評語。 可根據學生表現，作出評語。 可根據學生表現，作出評語。 可根據學生表現，作出評語。

資料來源：何萬基教授

APPENDIX 8.1

TABLE OF TESTS CONDUCTED

Tests	Schools	Date
HK Star & Compomix	St. Catherine Girls' School	September 2001
Young Lit	St. Joan of Arc Secondary School	September 2001
Young Lit	Diocesan Girls' School	September 2001
HK Star & Compomix	Wells Catholic School	September 2001
HK Star & Compomix	King's College	September 2001
HK Star & Compomix Young Lit	Baptist Lui Ming Choi Secondary School	September 2001
HK Star & Compomix	Ho Man Tin Government Secondary School	August & September 2001

APPENDIX 8.2

Testimonial for On-Line Chinese Composition Scheme

(Date: 3 August 2001)

organized by Professor Ho Man Koon, CUHK

Background

Chinese composition has often been perceived as a not-so-interesting subject of study. Recently, Education Department of the Chinese University of Hong Kong (CUHK) has initiated a program called “On-line Writing Experiment Scheme” that is aimed to provoke the students’ interests in writing through practice of their Chinese typing skills and the use of internet. The following is a report on the pilot scheme in Sha Tin Lui Ming Choi Primary School.

Content

37 primary six students are invited to attend the *On-line Writing Experiment Scheme* session. The 45-minute session comprises of demonstration, discussion and writing practice. The topic selected for the practice, “What would I be in XX years?” is mostly welcomed by the students as many interesting ideas are frequently expressed: one girl says she would be a fat homemaker in twenty years’ times while another boy sees himself as a white-haired old man in fifty years. Following the amusing discussion, the participants are asked to write a 400-words composition with their computers. Later, their works are sent to CUHK’s teachers via internet for evaluation and comments.

According to Professor Ho Man Koon of CUHK, the captioned writing scheme runs at a school-oriented basis. In other words, the scheme is aimed at assisting teachers to train their students to utilise computer and internet resource in writing, so that the students’ ability in correction and revision would be substantially improved. On the other hand, students’ interest in writing would be enhanced and simultaneously, their writing skills will be improved.

Furthermore, the scheme is planned to implement in sequence. The first step is to train the students’ Chinese typing skills, where the target is set to be 20 words per minute. Secondly, the writing teachers will guide the students to practise writing on the internet.

Results

Positive comments are generally received from the participants. The students are mostly benefited from mastering in Chinese typing and ultimately enhancing their skills through writing on the internet. Wong Wing Yee, one of the participant, claims that she has spent one year of daily practice to sophisticate the skills, and now is the fastest typist in the class. She also stresses that improvement in her typing skills leads to improvement in her writing skills.

Such comments are echoed by another participant, Chu Chi Fung. Chu states that he can type 30 words per minute and he finds it more efficient to write on the computer, as it is faster and easier to correct mistakes, and hence improving his overall writing ability.

Evaluation

Advocates of the on-line writing scheme are not limited to the student participants. One parent comment that her son has become more interested in writing and thus she has spent more time with her son to learn to use computer. On the other hand, Miss Hung Yui Chong (pls further check), teacher of the participants, happily declares that her students have greatly improved in their typing skills since they started learning typing in July last year. She further notices that her students write much faster since the scheme was first launched in November last year. Furthermore, Wong Kit Lin, the school principal, recognises the success of the scheme and the promising result the scheme has shown so far. She asserts that the scheme has provided a good opportunity to incorporate information technology into learning. In that way, she is pleased to see how her students have improved not only in writing skills but also way of thinking. Finally, she is particularly impressed by the level of support and corporation shown among students when problems arise in the learning process.

APPENDIX 9.1

CV OF PROFESSOR HO MAN KOON

<p>Professor HO Man-koon</p> <p>副教授, Department of Curriculum & Instruction, The Chinese University of Hong Kong</p> <p>文學士、教育文憑、教育碩士(中大)、哲學博士(中大)及哲學碩士(港大)</p>
<p>Tel: 2609-6951</p> <p>E-mail: mankoonho@cuhk.edu.hk</p>

Have been served as inspector in Chinese Section of Advisory Inspectorate & Curriculum Development Institute in Education Department; part-time lecturer in NCE, CUHK & Extra Mural CUHK. Courses taught:

1. Information Processing & Chinese Language Teaching: Listening & Reading
2. Information Processing & Chinese Language Teaching: Elocution & Writing
3. Curriculum & Instruction: Chinese Language teaching
4. Language, Thought and Writing

RESEARCH AREAS

Specialization in

1. Methodology in Chinese Language teaching
2. "Read More & Write More" Model
3. Information Processing & Chinese Language teaching
4. Information Technology in Chinese Language teaching
5. Writing Process

APPENDIX 9.2

SELECTED LIST OF PUBLICATION BY PROFESSOR HO MAN KOON

- 1.何萬貫（1988）課文默寫在中文教學上的功能與擬題技巧的研究。教育學報，16卷，1期，97-101。
- 2.何萬貫（1996）。中學生作文中觀念的顯性聯繫的研究。教育學報，24，1，頁43-66。
- 3.何萬貫（1996）。提高學業成績稍遜中學生讀、寫能力的教學策略----多讀多寫。教育學報，24卷，2期，81-96。
- 4.何萬貫（1997）。《初中學生作文評賞》。香港：中文大學出版社。共207頁。（沒有學術評審）
- 5.何萬貫、歐佩娟（1997）。中文科目標為本課程的探究。林智中主編：《目標為本課程：設計與實施》。香港：天地圖書公司。43-88頁。（沒有學術評審）
- 6.何萬貫（1997）。利用錄音帶批改作文。《教育學報》。第25卷，第2期，頁1-16。
- 7.何萬貫、歐佩娟（1997）。《第三及第五組別學校初中學生分項寫作能力教學實驗實驗報告》。（共81頁）。語文基金贊助。
- 8.何萬貫、歐佩娟（1998）。〈中學、預科與大學學生運用顯性寫作聯繫策略的能力〉。《香港中國語文教學論文集----從預科到大專》。香港：香港中文大學中國語言及文學系。頁267-292。
- 9.何萬貫（1998）。中學生作文語誤分析。香港：中文大學出版。共115頁。
- 10.何萬貫、歐佩娟（1999）。《初中中國文化光碟》（共有光碟6個）。香港中文大學教育學院及香港教育研究所。
- 11.何萬貫（1999）。《小作家網上培訓計劃電子網頁》。香港中文大學教育學院及香港教育研究所。

- 12.何萬貫(1999)。<在內地中學利用錄音帶批改作文的一個實驗>。《教育學報》。第27卷，第1期，頁221-232。
- 13.何萬貫(1999)。<提高中國語文能力與思維能力>。《毅園》。香港：弘毅文化教育學會。第19期，頁5-9。
- 14.何萬貫(1999)。<說話寫作---令文筆更加流暢>。《語文教學》(雙月刊)。香港：培生教育出版中國有限公司。第1期，頁54-57。
- 15.何萬貫(1999)。<中文科目標為本課程的目標問題>。《語文教學》(雙月刊)。香港：培生教育出版中國有限公司。第1期，頁3-7。
- 16.何萬貫(1999)。<齊來暢談趣味閱讀的好處>。《語文教學》(雙月刊)。香港：培生教育出版中國有限公司。第2期，頁33-34。
- 17.何萬貫(1999)。<學生對「錄音批改」作文的回饋>。《教育曙光》。頁86-92。
- 18.何萬貫(1999)。<測量閱讀理解能力的工具-----「按題背默」>。見《教育研究學報》，卷14，第1期，頁157-174。
- 19.何萬貫(2000)。<如何培養及延續孩子閱讀的興趣>。《語文教學》(雙月刊)。香港：培生教育出版中國有限公司。第3期，頁28。
- 20.何萬貫(2000)。<理解技巧多面觀及其教授方法>。《語文教學》(雙月刊)。香港：培生教育出版中國有限公司。第4期，頁36-38。
- 21.何萬貫(2000)。<另類的閱讀方式—聆聽活動>。《語文教學》(雙月刊)。香港：培生教育出版中國有限公司。第5期，頁36-37。
- 22.何萬貫(2000)。<中文教學資訊科技高速公路>。周漢光編(2000)《優質中文教學》。香港：香港中文大學教育學院課程與教學學系。頁3-20。
23. Ho M.K., Mak S.Y.(1996), An Activity Kit for the Teaching, Chinese Language in Primary Schools – An Application of Magnetic-Board Card Games

APPENDIX 10

CV OF MAY LAI

LAI YIN MEI, MAY

E-mail: maylai1011@yahoo.com.hk

Academic Qualifications

- | | |
|----------------------|--|
| Sept. 00~
present | The Chinese University of Hong Kong
Master of Business Administration |
| 93~96 | The Chinese University of Hong Kong
Bachelor (Honors) of Arts
Major: Japanese Studies |
| 94~95 | Nagoya University of Commerce and Business Administration
Exchange Program (Year 2) |

Working Experiences

- | | |
|------------------|---|
| Apr 97 ~ July 00 | Canon Engineering HK Co., Ltd. - Marketing Officer <ul style="list-style-type: none">- Handled marketing project of new products.- Conducted Market research and New Product Testing.- Arranged Monitored PR activities. |
| Sep 96 ~ Mar 97 | WKK Technology Ltd. - Assistant Sales Officer <ul style="list-style-type: none">- Monitored the production schedule to meet clients' needs.- Followed sales orders.- Handled client's requests and inquires. |

Other information

Languages Proficiency	Fluent in Cantonese, English, Japanese and Mandarin, Basic French
Qualification & Achievement	Japanese Proficiency Test, Level 1 CUHK MBA Alumni Scholarship 2001
Computer Skills	Microsoft Office, Internet, Japanese Word Processor
Interests	Swimming, softball, travelling and reading

APPENDIX 11

CV OF JEFFREY LEE

LEE, Man Wai Jeffrey (李文偉)

Email address: jeff_lee@cuhk.edu.hk

Education Background:

2000 – Present **The Chinese University of Hong Kong**
Master of Business Administration

1993 – 1999 **City University of Hong Kong**

Bachelor of Arts in Business Studies with Honours

Working Experience:

Aug 98 – Aug 00 **Hong Kong Airport Services Limited, Load Control Officer**
- Monitored and controlled the weight and balance issues
- Prepared required documents for relevant parties
- Prepared Load Plans and gave briefing to loading staff

Nov 97 – Nov 98 **The Hong Kong University of Science & Technology,**
Research Assistant
- Searched, collected and analyzed data on various Finance issues
- Prepared preliminary result for the research

Oct 91 – Jul 98 **Cathay Pacific Airways Limited, Load Control Officer**
- Monitored and controlled the weight and balance issues
- Prepared required documents for relevant parties
- Prepared Load Plans and gave briefing to loading staff

Awards and Scholarship:

2000 - 2001	Professor Hsin Sutu Memorial Scholarship (Divisional) Honourable Mention and Outstanding Business Plan in NASDAQ Asia Moot Corp ® 2001 Participant (Texas) Moot Corp ® 2001
1994 - 1995	Outstanding Staff Award (Cathay Pacific Airways Limited)

Other Skills:

Languages	English, Mandarin and Cantonese
Computer	Windows, Microsoft Office, SPSS

APPENDIX 12.1

AGGREGATE PLAN FOR THE FIRST YEAR (UNIT: HK\$)

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Revenue												
Number of Subscription (school) (NOS) (1)	-	1	2	4	6	8	10	12	14	16	18	20
Estimated No. of end-users per school (2)	-	1,000	2,000	4,000	6,000	8,000	10,000	12,000	14,000	16,000	18,000	20,000
Subscription fee (\$50 per head) (3)	-	-	50,000	100,000	200,000	300,000	400,000	500,000	600,000	700,000	800,000	900,000
Cost												
<i>Variable Cost</i>												
Examiner required (4)	-	1	2	4	6	8	10	12	14	16	18	20
Sale Executives	1	1	1	1	1	1	2	2	2	2	2	2
Wages for Examiner (5)	-	12,000	24,000	48,000	72,000	96,000	120,000	144,000	168,000	192,000	216,000	240,000
Wages for Sale Executives (6)	8,000	8,000	8,000	8,000	8,000	8,000	16,000	16,000	16,000	16,000	16,000	16,000
Sales Commission (7)	-	-	-	-	-	-	-	-	-	-	-	-
<i>Fixed Cost</i>												
Director fee (8)	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Misc Expenses (9)	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
<i>Total Cost</i>	29,000	41,000	53,000	77,000	101,000	125,000	157,000	181,000	205,000	229,000	253,000	277,000
Net Profit (Loss)	-	29,000	-	23,000	99,000	175,000	243,000	319,000	395,000	471,000	547,000	623,000

Assumptions

- (1): 5 new schools are added
 (2): Assume 1000 users (25 classes x 40 students) per school
 (3): Free Trial for the first month
 (4): Assume 1 Examiner responsible for handling the compositions of one school
 (5): Assume \$12,000 for one Examiner per month
 (6): Assume \$8,000 for one Sale Executive per month
 (7): Assume 5% of Subscription Fee and pay at the end of each year
 (8): For Professor Ho only and 20% annual increment
 (9): Management fee, electricity & others and increase as capacity change plus 20% inflation rate

APPENDIX 12.2

AGGRAGATE PLAN FOR THE FIRST THREE YEARS (UNIT: HK\$)

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
Revenue			
Number of Subscription (school) (NOS) (1)	20	25	30
Estimated No. of end-users per school (2)	<u>20,000</u>	<u>25,000</u>	<u>30,000</u>
Subscription fee (\$50 per head) (3)	4,550,000	15,000,000	18,000,000
Cost			
<i>Variable Cost</i>			
Examiner required (4)	20	25	30
Sale Executives	2	3	3
Wages for Examiner (5)	1,332,000	3,600,000	4,320,000
Wages for Sale Executives (6)	144,000	288,000	288,000
Sales Commission (7)	66,600	180,000	216,000
<i>Fixed Cost</i>			
Director fee (8)	240,000	288,000	345,600
Misc Expenses (9)	<u>12,000</u>	<u>18,000</u>	<u>25,920</u>
<i>Total Cost</i>	<u>1,794,600</u>	<u>4,374,000</u>	<u>5,195,520</u>
Net Profit (Loss)	<u><u>2,755,400</u></u>	<u><u>10,626,000</u></u>	<u><u>12,804,480</u></u>

Assumptions

- (1): 5 new schools are added
(2): Assume 1000 users (25 classes x 40 students) per school
(3): Free Trial for the first month
(4): Assume 1 Examiner responsible for handling the compositions of one school
(5): Assume \$12,000 for one Examiner per month
(6): Assume \$8,000 for one Sale Executive per month
(7): Assume 5% of Subscription Fee and pay at the end of each year
(8): For Professor Ho only and 20% annual increment
(9): Management fee, electricity & others and increase as capacity change plus 20% inflation rate

APPENDIX 13

EXPENDITURE OF OFFICE SETTING (UNIT: HK\$)

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
Hardware			
Server and related equipments	50,000	-	-
PC's (10)	<u>160,000</u>	<u>40,000</u>	<u>40,000</u>
	210,000	40,000	40,000
Software			
MS Window 2000 Server, Chinese	100,000	-	-
SQL Server 2000, English	<u>20,000</u>	<u>-</u>	<u>-</u>
	120,000	-	-
Office Furniture and Fixture	<u>50,000</u>	<u>30,000</u>	<u>20,000</u>
Total Capital Investment	<u><u>380,000</u></u>	<u><u>70,000</u></u>	<u><u>60,000</u></u>

Assumption

(10): 1 PC, which was estimated \$8000, per 1 Examiner

Assumption

- (1): 5 new schools are added
- (2): Assume 1000 users (25 classes x 40 students) per school
- (3): Free Trial for the first month
- (4): Assume 1 Examiner responsible for handling the compositions of one school
- (5): Assume \$12,000 for one Examiner per month
- (6): Assume \$8,000 for one Sale Executive per month
- (7): Assume 5% of Subscription Fee and pay at the end of each year
- (8): For Professor Ho only and 20% annual increment
- (9): Management fee, electricity & others and increase as capacity change plus 20% inflation rate

APPENDIX 14.2

PRO-FORMA CASHFLOW FORECAST FOR THE FIRST THREE YEARS (UNIT: HK\$)

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
Opening Bank & Cash Balance	-	456,594	3,227,774
CASH INFLOWS			
Equity Investment received	-	-	-
Cash Inflow from operation	4,550,000	15,000,000	18,000,000
Creditor and Accrued Charges	<u>39,600</u>	<u>19,800</u>	<u>6,552</u>
	4,589,600	15,476,394	21,234,326
CASH OUTFLOWS			
Capital Expenditure Outlay	380,000	70,000	60,000
Operational Expenditure Outlay	1,921,267	4,524,000	5,365,520
Dividend Paid	1,564,096	6,233,220	7,517,516
Profit Tax Paid	394,310	1,571,400	1,895,172
Account Receivable	-	-	-
Depreciation (ve)	<u>126,667</u>	<u>150,000</u>	<u>170,000</u>
	4,133,006	12,248,620	14,668,208
Closing Bank & Cash Balance	<u><u>456,594</u></u>	<u><u>3,227,774</u></u>	<u><u>6,566,118</u></u>

APPENDIX 15

PRO-FORMA INCOME STATEMENT FOR THE FIRST THREE YEARS (UNIT: HK\$)

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
Sales Revenue			
Subscription Fee	4,550,000	15,000,000	18,000,000
Operating Expense			
Wages for Examiners	1,332,000	3,600,000	4,320,000
Sales Commission	<u>66,600</u>	<u>180,000</u>	<u>216,000</u>
Total Operating Expense	<u>1,398,600</u>	<u>3,780,000</u>	<u>4,536,000</u>
Administrative Expenses			
Wages for Sale Executives	144,000	288,000	288,000
Director Fee	240,000	288,000	345,600
Depreciation (11)	126,667	150,000	170,000
Misc Expense	<u>12,000</u>	<u>18,000</u>	<u>25,920</u>
Total Administrative Expense	<u>522,667</u>	<u>744,000</u>	<u>829,520</u>
Total Expenses	<u>1,921,267</u>	<u>4,524,000</u>	<u>5,365,520</u>
Profit (Loss) Before Taxation	<u>2,628,733</u>	<u>10,476,000</u>	<u>12,634,480</u>
Taxation (12)	394,310	1,571,400	1,895,172
Net Profit (13)	<u><u>2,234,423</u></u>	<u><u>8,904,600</u></u>	<u><u>10,739,308</u></u>
Retained Profit (Loss) b/f	-	670,327	3,341,707
Dividend (16)	1,564,096	6,233,220	7,517,516
Retained Profit (Loss) c/f	<u><u>670,327</u></u>	<u><u>3,341,707</u></u>	<u><u>6,563,499</u></u>

Assumption

(11): assume all hardware, software, furniture and fixture depreciated as straight-line method for 3 years

(12): assume standard tax rate, 15%

(13): assume no interest expense while all capital and cash prepaid by shareholders

(16): 70% Net profit is payout as dividend

APPENDIX 16

PRO-FORMA BALANCE SHEET AS AT THE YEAR END OF THE FIRST THREE YEARS (UNIT: HK\$)

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
FIXED ASSETS			
Hardware/Software	330,000	370,000	410,000
Office Furniture and Fixture	50,000	80,000	100,000
Accumulated Depreciation	<u>126,667</u>	<u>276,667</u>	<u>446,667</u>
	253,333	173,333	63,333
CURRENT ASSETS			
Bank Deposit and Cash	456,594	3,227,774	6,566,118
A/C Receivable (14)	<u>-</u>	<u>-</u>	<u>-</u>
	456,594	3,227,774	6,566,118
CURRENT LIABILITY			
Creditors & Accrued Charges	39,600	59,400	65,952
NET CURRENT ASSETS	<u>416,994</u>	<u>3,168,374</u>	<u>6,500,166</u>
TOTAL ASSETS	<u><u>670,327</u></u>	<u><u>3,341,707</u></u>	<u><u>6,563,499</u></u>
Financed by:			
SHARE CAPITAL	-	-	-
RETAINED PROFIT (LOSS)	<u>670,327</u>	<u>3,341,707</u>	<u>6,563,499</u>
SHAREHOLDERS' FUNDS	<u><u>670,327</u></u>	<u><u>3,341,707</u></u>	<u><u>6,563,499</u></u>

APPENDIX 17

BREAKEVEN ANALYSIS (UNIT: HK\$)

Fixed costs

Fixed assets costs		380,000
Administrative Expenses		522,667
Total fixed costs	<F>	<u>902,667</u>

Variable Costs

Operating Expense		1,398,600
Total variable costs		<u>1,398,600</u>

Subscription Fee (Revenue)

		4,550,000
Variable costs as a function of revenue	<V>	0.31
Contribution Margin	<M>	0.69
Total fixed costs	<F>	902,667

BREAKEVEN TURNOVER

1,303,273

BREAKEVEN MONTH

The 7th month

APPENDIX 18

RATE OF RETURN (UNIT: HK\$)

	<u>Year 0</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
Initial Investment	(444,300)			
Shareholding of investor	30%	30%	30%	30%
Dividends		469,229	1,869,966	2,255,255
Value at the end of Year 3 (15)				<u>16,108,962</u>
Cash Flow	(444,300)	469,229	1,869,966	18,364,217
Rate of Return	328.7%			

Assumption

(14): assume P/E ratio is 5 times earning

BIBLIOGRAPHY

Books

Luke Kang Kwong, Into the twenty first century : issues of language in education in Hong Kong, Linguistic Society of Hong Kong, 1992.

Periodicals & Newspapers

“A Region In Flux,” Newsweek (Special Issue), 2000 pp.13

“Even P2 Student Know Easy Input Method”, Mingpao Newspaper, April 16,2002

“Four Big Invention by Ho Man Koon”, Singtao Daily, April 16,2002

“Four Big Invention by CUHK”, Sun Newspaper, April 16,2002

“Highlights: Ho Man Koon Invented Autocorrection By Computer”, AppleDaily Newspaper, April 16, 2002

“Hong Kong Monthly Digest of Statistics” Census and Statistics Department, March 2001

“Online Magazine for Students – Young Lit”, AppleDaily Newspaper, October 7, 2000

“Ten Schools gave up textbook and use CD for teaching”, Singtao Daily, February 21, 2002

Interview

Lai Wai Chuen, Principal, Maryknoll Secondary School, Interview, 8 April, 2002

Ng Ho Kei, Chinese Panel Teacher, St. MaryChurch Secondary School, Interview, 27 February 2002.

Susanna Chan. Chinese Panel Teacher, King’s College. Interview, 20 February 2002.

Websites

<http://www.bmck.com/ecommerce/hongkong.htm>

http://www.ed.gov.hk/ednewhp/resource/edu_doc/English/download/ecr4_e.PDF

<http://www.fed.cuhk.edu.hk/faculty/staff/cr/mkho.html#English>

<http://www.info.gov.hk/coy/eng/report/statistics.htm>

<http://www.info.gov.hk/emb/eng/welcome/index.html>

<http://www.prof-ho.com/radio/edited.wma>

CUHK Libraries



003897695